DOCUMENT RESUME

ED 232 818 RC 014 235

AUTHOR Bradshaw, Ted K.; Blakely, Edward J.
TITLE Policy Options for Rural America: An Overview of Research Findings and Policy Directions.
PUB DATE Mar 82
NOTE 12p.; Paper presented at the Annual Conference on Small City and Regional Development (5th, Stevens Point, WI, March 1982).
PUB TYPE Reports - Research/Technical (143) -- Speeches/Conference Papers (150)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Economically Disadvantaged; Economic Change; *Economic Development; Government Role; Human Resources; Life Style; Organizations (Groups); Policy Formation; *Population Growth; *Rural Areas; *Rural Development; *Rural Economics; Rural Environment; Service Occupations; Small Businesses; Urban to Rural Migration
IDENTIFIERS California; North Carolina; *Policy Research; Quality of Working Life; Vermont; Wisconsin

ABSTRACT

An analysis of rural population growth and its economic consequences in California, Wisconsin, North Carolina, and Vermont helps explain the changing conditions in rural America and indicates the direction policy should take. Despite their distance from financial centers and their low density, rural areas are generally characterized by a more urban economy, new and diverse employment patterns, and growth in the service sector, all of which have moved rural economics from single-industry economic bases to a complex, diverse, modern place. Existing rural economic policy is now inadequate because it does not address such issues as uneven rural growth, inequalities in economic opportunities, and the reduction of federal resources for communities. An effective redirection of rural policy should consider: (1) redefining economic development strategies to make them more sensitive to rural environments, human resources, and local traditions and institutions; (2) enhancing multijurisdictional economic development organizations such as government districts and organizations, community-based organizations, and special limited-power organizations; (3) improving the quality of rural work by creating economic diversity and targeting opportunities for job and career advancement; and (4) creating economic development programs for the disadvantaged. (SB)

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# POLICY OPTIONS FOR RURAL AMERICA:

# AN OVERVIEW OF RESEARCH FINDINGS AND POLICY DIRECTIONS

by

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March 1982

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# POLICY OPTIONS FOR RURAL AMERICA: AN OVERVIEW OF RESEARCH FINDINGS AND POLICY DIRECTIONS

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**Introduction**

This paper presents a brief description of the findings of the Rural Development Policy Project at the University of California. The purpose of the project, funded by the Ford Foundation, is to conduct research on recent rural population growth and the economic development consequences of growth. Four representative states were selected for this study: California, Wisconsin, North Carolina, and Vermont. Policy-relevant data in each of these states were collected and analyzed to detail the character of the rural renaissance in each of four broad regions of the nation. Moreover, local policy problems and issues indicative of a variety of long-term consequences of growth were monitored. The analysis was linked to various governmental and community-based agencies at the federal, state, and local levels to whom policy-relevant information was provided. This information will be instrumental in formulating coherent rural policy. The findings described here are summarized for wide distribution and discussion during the coming year at a number of workshops, professional meetings and symposia, especially meetings on issues relevant to preparation of the *National Rural Strategy Plan* to be presented to Congress by January 1983.*

**Changing Conditions and Changing Strategies in Rural America**

Rural population growth is only the best known of the many changes occurring in rural America. Accompanying the recent population reversal, a broad range of economic and social changes have brought rural areas into the modern era in a way that few expected. Our research has been aimed at documenting these changes and identifying their consequences for public policy. The major objective of our exploration of the changing character of small towns and rural places has been to examine emerging economic development patterns -- what new roles people are playing in the economy and what efforts are being undertaken to stimulate more economic growth. We started with the hypothesis that the major forces affecting rural development were not the old ones of agriculture, natural resources, socioeconomic isolation, or a technically unsophisticated labor force (Bradshaw and Blakely, 1979). The new forces shaping rural economic life are technological processes that propel rural areas into a sophisticated and technologically advanced urban economy. Certain rural areas have become attractive for some of the most innovative technologies in society because of a renewed emphasis on quality of life over economic return among the most highly educated, skilled, and resourceful urbanites. (Bradshaw and Blakely, 1981). Indeed, these hypotheses suggest that a new concept of "rural" is called for, for rural areas are no longer rural in the sense of agricultural, backward, isolated, or conservative. Yet as members of the modern society they are experiencing a range of challenges and problems for which their history has left them ill prepared. (Bradshaw and Blakely, 1981).

*Under Secretary of Small Community and Rural Development, USDA. "Working Toward a National Rural Development Strategy: Progress Report." Washington, D.C., January 1982.

Our research strategy was to select four different rural states with above-average population and economic growth (relative to their regions) and with a range of economic and social organizational structures. We further selected states where we either had worked before or knew we could link with researchers well versed in the issues we were examining. Two variables were most important in selecting the four states. First, we wanted two states with a significant amount of new growth industries such as electronics, professional services, and communication, while selecting two other states with more traditional manufacturing, agriculture, and natural resource extraction. Second, we wanted these states further subdivided into those with well-developed organizations for the delivery of rural social services and those with a limited service delivery capacity. These criteria produced the following typology of states:

| | Well developed rural organization | Limited rural organizational capacity |
|---|---|---|
| New technology for rural industry | California | Vermont |
| Traditional rural industrial base | Wisconsin | North Carolina |

We now appreciate as a consequence of our research that this typology somewhat oversimplifies the character of the states. Nonetheless we are impressed with the fact that we captured a great deal of the variation that exists in many rural areas that are currently experiencing growth.

**Rural Economic Change: The Most Significant Changes**

- The decline in agricultural and extractive employment has nearly bottomed out in most rural areas, with national employment reductions of only 20,000 annually (vs. 200,000 during the 1950s and 1960s) (Bureau of Labor Statistics, 1980).
- Manufacturing added a great number of jobs in nonmetropolitan areas since 1962, although this has greatly slowed in the 1970s reflecting the slow growth in this sector nationally (Haren and Holling, 1979).
- The service sector increased its share of total nonmetropolitan employment from 62.5% in 1962 to 66.6% in 1978 (Haren and Holling, 1979).
- Professional and managerial jobs were among the fastest growing, increasing their share of nonmetropolitan employment from 20.0% (1970) to 22.4% (1977); the share of employment in operative occupations declined from 16.7 (1970) to 14.6% (1977), the largest decline of any occupational group (Bureau of the Census, 1978).
- Self-employment is significantly greater in nonmetropolitan areas, indicating the importance of small business in rural communities (Bureau of the Census, 1976).
- Most (90%) rural employment growth in the 1960s was by women and much of this was in manufacturing; by the 1970s male jobs accounted for nearly half the job creations (Bureau of the Census, 1978).
- Rural areas still suffer wage inequalities but the gap is narrowing; female earnings, however, still lag well behind male earnings (Bureau of the Census, 1978).

**Rural Diversity.** Within each of the four selected states studied the major aspects of the rural turnaround have different manifestations. While agriculture remains critical in many rural areas, it has not contributed substantially to population growth. On the other hand, a number of mature, stabilized agricultural areas like central Wisconsin were increasingly affluent. Although it is rapidly changing, agriculture is becoming a sophisticated economic actor with more year-round employment and a greater use of highly skilled experts, managers, and operators (Bradshaw and Blakely, 1979). Manufacturing growth has been important to most regions, more for the large local impact it has had in some places than for its overall importance in creating a new rural economic base. North Carolina is the best example of a state that has developed an active manufacturing plant recruitment program, with recent data showing that 187 plants were located in the state in 1980, with 16,856 jobs. This program is a central effort of the state government, and significant attempts have been made to balance the manufacturing growth between rural and urban locations. Even in North Carolina, however, the distribution of these plants is not equal in all parts, with the mountain and coastal regions lagging in comparison to the central Piedmont region.

Growth in other areas is in the service sector. In California we identified five types of rural communities: (1) *university/professional* -- communities based on expertise associated with higher institutions and associated professional services such as engineering, health care, and law; (2) *government and trade communities* -- usually county seats, where service delivery and trade are the leading employment-generating sectors; (3) *resort/tourist communities* -- are very attractive places that attract not only tourists but many persons such as writers who are economically active, but able to live away from the city; (4) *retirement communities* -- use the pension and Social Security income of the residents as a significant input into the local economy; (5) *counterculture communities* -- include people who have dropped out of the major economic system and are doing subsistence farming and odd jobs and thus represent a potential pool of talent for new enterprises (Bradshaw and Blakely, 1981).

Services provide a different motor for economic growth in Wisconsin, where large insurance companies have located in rural areas, employing many clerical workers. In Vermont, on the other hand, small businesses and tourism provide a major dynamic to the growing economy. As with many similar types of economic development, the jobs provided in these activities are low-paying and subject to seasonal fluctuations. An interesting development in several rural areas, however, is the spread of mail-order establishments, reservation services, and information firms that draw upon a national market for everything from clothing and supplies to airline or hotel reservations and medical research data.

A growing number of areas are experiencing inroads from truly high-technology firms. In some of the foothill areas of California small electronics plants have established research and development facilities and manufacturing plants. For example, in Grass Valley in northern California there are nearly a dozen small electronics firms, some loosely associated with a larger firm that makes television production equipment. In small Vermont towns, leading firms in the windmill industry, machine tools, and scientific instruments are national and international in character. So far these small firms do not dominate most communities, yet their presence produces a substantially larger number of new jobs than large manufacturing plants, mines, or lumber mills.

As a consequence of these development patterns, we have concluded that rural economies have developed from single-industry economic bases to a complex, diverse, modern place. Two major factors, however, continue to distinguish rural economies from urban ones. The first is the closer association with natural

resources and the associated distance from centers of finance and certain types of technical innovation; the second is the low density of rural areas which means that things are done at a smaller scale and are more geographically separated from each other.

**Rural Life Styles as a Magnet.** A major new force affecting growth in most rural areas has been the attractiveness of rural life styles. This has led many types of firms to express great interest in locating in rural areas, in contrast to patterns of rural areas losing firms and finding that new firms showed no interest in small communities. Many or most plants have long waiting lists of people who want to transfer to rural locations, and once they have transferred persons, firms find it difficult to get them to leave rural places. This has been particularly true in Vermont and northern California's electronics industry, and it has been reported by an increasing number of firms in both Wisconsin and North Carolina.

A major consequence of this pattern has been that some rural areas in all of our sample states have a number of options for selecting the types of industry that will locate in their community, and they are in the position of having something to offer potential employers. Yet few of these communities exercise this option, thereby allowing the economic character of the area to be shaped more by events than by specific planning.

**Human Resources: The Critical Factor.** As employment has shifted from natural resources and manufacturing to services and technically sophisticated industry, so the critical factor in leveraging economic activity has changed. Human resources, the broad concept indicating the level of general skills and capability of the population of an area, have become critical in understanding the character of the new economic activity in rural areas. This is manifested in a number of ways. First, training and advanced education programs are increasingly important in rural economic development. In growing rural areas, however, there is less emphasis on and demand for entry-level training programs than for intermediate technical skills. For example, one of the major findings of the study has been that there is a critical role for post-secondary educational institutions, particularly community colleges, in all parts of the country to provide this relevant training. In California, the growth of electronic plants is more related to the availability of training for mid-level technical and managerial employees than of production workers. In rural North Carolina the education provided by the state colleges is geared to the needs of the type of industry they want to attract, rather than reacting to the presence of the new employer.

**Small Business: An Opportunity.** A final aspect of the rural development we have observed is the significant role of small firms. In an era when large firms are increasing their share of the national output, small businesses are increasing their share of employment (Birch, 1979). This is particularly true in rural areas in the states of our sample, with the exception of North Carolina. The growth of small business has been a major dynamic in the development of rural areas in the four states. One bit of evidence of this has been that in California we found that nearly a third of all the newcomers who migrated to five nonmetropolitan communities during the last five years had started their own businesses while in their new communities (Bradshaw and Blakely, 1981). In Vermont a new Office of Small Business Assistance has been swamped to provide assistance both for existing organizations and for potential startups.

**Economic Development Processes.** As there has been a diversity of economic development activities in each of the four states, there is a great deal of diversity in the organizations and the programs that are being used to facilitate more economic growth. While some states like North Carolina are actively attracting outside plants, other states are more concerned with ways to expand existing businesses and to establish more locally-owned enterprises. For the most part

states do not have well-articulated rural development plans or strategies, but simply adapt the federal programs to their purposes. In general the operators of the various programs in rural areas have an adequate organizational base in place, but it lacks capacity to do much more than respond to outside pressures and opportunities. The poor and disadvantaged, for whom many economic development organizations are targeted, are unable to make their real needs felt, and when they do the resources are inadequate to handle them. On the other hand, the organizations are limited in their vision of what is possible, using many of the old models of economic development, which did not work in the past and are unlikely to work now.

**Policy Concerns and Directions**

The existing context for rural policy in the United States is based on a traditional concept of rural areas being agricultural or resource-extractive, isolated, economically depressed, and lacking in political influence. This concept of rural areas and small towns contributed to a policy formulation process designed to modernize and incorporate rural places into the mainstream of the nation. While this intellectual framework may have been relevant and necessary at one time, it is inadequate now. Rural areas have undergone, and are undergoing, fundamental changes that are making them more complex in character, more diverse in socioeconomic structure, more urban in amenities, and with more difficult special problems. It is in this milieu that we feel new policy alternatives are necessary.

A principal objective of our research was to identify policy issues that are associated with the social, political, and economic structures that are emerging in the growing parts of rural America. Based on the data collected by the Rural Development Policy Project, the following key issues need to be addressed in a useful rural policy and by effective governmental programs.

- The pattern of rural population and economic growth remains spotty and uneven, bypassing many areas and leaving significant needs unmet throughout the country.
- There remains substantial inequality of economic opportunities in rural areas in spite of, and sometimes because of, new economic and population growth.
- The underprivileged, socially marginal, racial and ethnic minorities, and women have been benefited only slightly -- and in many instances not at all -- from the new economic upsurge in rural America.
- The immense diversity of the rural and nonmetropolitan experience makes the current concept and definition of "rural" inadequate or misleading for creating effective policy. It is clear that growth areas need a new definition of the rural experience; it is also clear that policy needs to be better articulated in order to deal effectively with the problems of depressed rural communities and of minorities and women who are left out of the economic development process in rural America.
- It is very apparent to us that the federal government has played a vital role during the last several decades in rural community development leading to, and culminating in, growth. The federal role ranges from funds for water and highway systems to CETA and rural development funds for various economically significant projects. The current trend toward reducing federal resources in local communities will present enormous problems.
- It is uncertain how much of an increasingly large amount of responsibility for economic and social development can be absorbed by rural communities. A significant issue will be the monitoring of how "the New Federalism" is worked out in rural areas.

- There is a significant lack of a national rural development strategy. The federal government's appointment of a USDA Undersecretary for Small Community and Rural Development, with broad government-wide authority, is a step in the right direction, but these projects have not yet been fully implemented.
- Many solutions proposed for rural problems are simply urban programs slightly repackaged. A clearer understanding of the particular needs of rural areas is needed. For example, enterprise zones and the like may make sense in urban areas, but they are hardly significant for rural development.
- Many programs have been used in rural areas to create much-needed local public capacity to provide social services. The impact of these programs on job creation and economic development have largely been missed.
- Organizations for economic development are often missing or are inadequately conceived. We are struck by the fact that many rural areas are still organizing at the individual community or neighborhood level while the community itself is caught up in a multinational web of connections involving large corporations, federal expenditure changes, and the like. Although neighborhood- and local-level organizations are important, the tasks that they can effectively accomplish may be inadequate in the current social and economic climate.
- We are concerned that rural development policy scholarship is a byproduct of rural sociology or agricultural economics, rather than a significant field in itself. The nation lacks institutions focusing on rural problems that take a national perspective or that deal with a broad range of issues. Rural policymakers need better organizations for research and policy analysis than they currently have.

Based on these concerns and issues that need to be included in an effective redirection of rural policy, we have a number of tentative targets of opportunity which we think are worth further exploration and consideration.

1. *Redefine Rural Economic Development Strategies*. The changing rural economy demands a rethinking of effective intervention strategies for rural areas. We have found that existing models of rural economic development are inadequate because they emphasize outdated conditions and miss important new opportunities. Some of the earliest efforts at economic development involved technology transfers, largely through agricultural extension programs. It is clear, however, that these efforts are limited and that they do not greatly increase the level of internal investment in the local community. A second type of economic development effort has involved efforts to recruit plants into a rural area, to modernize them, and create jobs. While these "smokestack-chasing" recruitment efforts are sometimes effective in increasing the number of employed persons in certain areas, they also bring many costs with them. Some relocated plants close down or move other facilities, causing proportionate unemployment elsewhere; some communities provide such lavish tax incentives and other benefits to the new plant that they have no revenues to complete needed infrastructure; other newly recruited plants arrive and hire few local workers, or they may hire only women assemblers, paying very low wages. Electronics firms have sometimes been particularly notable in this regard, especially because they are widely believed to be so professional and "knowledge-intensive." North Carolina has one of the most sophisticated state programs of plant attraction, and has been quite successful in having the plants recruited into the state dispersed throughout the rural areas. Yet the gap between North Carolina and other states

in average wage level has not narrowed. In sum, our review of a large number of traditional economic location concepts suggests that rural areas often overrate their effectiveness and do not understand the costs of industrialization.

Because of the more complex economic forces affecting rural areas, a much more integrated strategy, sensitive to the physical environment, human resources, local traditions, and small-town institutions, will be required to provide balanced rural growth. The major components of this integrated economic development strategy are an emphasis on human resources and their enhancement; developing viable enterprises, especially new small businesses; using local resources to the greatest advantage, including materials, scenery, history, and other businesses; capitalizing on the migration of skilled, experienced, and affluent newcomers to rural communities for involvement in a range of projects; and using local organizational efforts for economic development to provide lasting and significant benefits for the rural community.

2. *Enhance Multijurisdictional Economic Development Organizations*. The changing conditions in rural areas also necessitate a rethinking of appropriate organizational forms by which rural economies may be stimulated to produce jobs and a better distribution of economic opportunity to all rural residents. In the past, there were no local organizations that could handle a wide range of issues, including sewer, water, fire and police protection, and general governance. These local organizations have now largely been created and supported by university extension, and have developed the capacity to meet community needs and to interact with the outside world. It has become clear to us that most small communities now have a formal structure capable of handling many tasks without the infusion of new organizing efforts or technical assistance. As we pointed out before (Bradshaw and Blakely, 1979), the efforts of rural community development have shifted in large part from *organizing* to new tasks, including the development of multijurisdictional organizations. In recent years these multijurisdictional units have emerged from a number of successful programs requiring the establishment of Councils of Government (COGs), economic development districts, and a variety of community based organizations (CBOs). As well, some rural organizations have developed the capacity to handle regionwide programs, largely government social service delivery programs. In short, the social and economic changes affecting rural areas mean that individual communities are increasingly limited in their ability to be effective acting independently, but they can be more efficient when their resources are combined with those of other local jurisdictions to form what has been dubbed a "ruralplex," a loose confederation of interdependent rural communities working together on specific issues.

In rural areas, three types of organizational structures are found that cut across community boundaries and are effective in creating economic development. Each meets a different objective and each has a distinct potential for solving different types of economic development programs. The first type of multicommunity organization is government districts and organizations such as Councils of Government, economic development districts, unified school districts, Private Industry councils, CETA prime sponsors, and the like. These organizations have the advantage that many federal programs funnel funding through them, they are established by law, they have access to data and information not available to outside groups, and they have some initial legitimacy to be involved in economic development activities. The disadvantage of these organizations is that too often they do not have the support of the local communities in which they operate, there are conflicts over jurisdiction, their mandate overlaps other similar organizations, their boundaries are established without regard to actual community interaction, and they feel restricted from engaging in innovative projects not initially specified in their charters. Many communities feel that there is an

abundance of these organizations and that they should be consolidated. Undoubtedly some consolidation should occur, but we have found that too much bureaucratization and/or mandated consolidation limits the effectiveness of the effort. Leaving the entire responsibility in the hands of one organization is usually viewed with suspicion and hostility. The policy issues for small jurisdictions lie particularly in efforts to build useful organizational forms that assist small communities collectively. For example, some Economic Development Districts in Vermont are taking on major new roles as the most effective vehicle for regional planning as well as economic development. In much of the midwest, councils of government are effective links for regional development, although their power is often compromised by their broadly perceived role as "superior" government to localities and counties. The effectiveness and value of community and citizen coalition in influencing a region's development has been demonstrated by the Western Carolina Tomorrow group made up of local citizens, business persons, and educators. Unfortunately, however, successes like these are much more limited than they should be, and policy should be directed at providing stable funding, removing barriers to broader responsibility, and increasing technical assistance to these organizations.

Community-based organizations (CBOs) are nonprofit efforts to address the needs of a broad community constituency. Some of the most effective of these organizations are those created by the recently dismantled Community Services Administration (CSA), such as Impact 7 in Wisconsin or North Coast Opportunities in California. These organizations are more flexible than governmental jurisdictions and have a locally responsible Board of Directors. On the other hand, they lead a rather vulnerable existence, with limited funding and inadequate resources to do the jobs they have set for themselves. In spite of their limitations, community-based organizations are a valuable asset for federal policy because they are highly innovative and tap deep into the community. At the present time they are severely threatened by the removal of many service delivery programs from their jurisdiction because of recent federal policy changes. In response, the states and localities should take more responsibility for assuring the success of these organizations by using them wherever possible for their programs and for their pass-through of federal money. Moreover, some of their best success comes from creating and spinning off profit-making units. Government incentives should be provided for this purpose. We would propose community challenge grants for two or more communities, in which the federal government would match local funds with communities that engage in creative organizational rearrangements and use locally or community-based organizations in the process.

The third type of multijurisdictional organization for the solution of rural economic development programs is the special limited-power organization which is an agreement by several communities to provide a service jointly, pooling control and fiscal responsibility. The agreement may cover such things as a sewer system, an industrial park, or an economic development activity. This arrangement has the same advantages of many regional government programs, but it is more agreeable to many rural residents because they do not surrender general local control. An excellent example of this concept is the recent professional circuit rider program in Northern California. This project allows several communities to work together collaboratively because they share a single administrator or planner. Similarly, many smaller communities have combined their planning with other communities or the County, with other agreements in process.

3. *Improving the Quality of Rural Work.* Rural areas are providing an attractive venue for rural economic development, and as indicated by various statistics it is providing jobs at a faster rate than urban areas. Yet rural development is at a critical juncture; policy emphasis needs to shift from efforts to find any job to

efforts that make use of rural resources to guarantee jobs of good quality that will last and will provide yet more economic growth. The two major means by which this may be done are creating economic diversity in rural areas and targeting opportunities for job and career advancement for all levels of workers through jobs ladders and appropriate in-service training programs.

Too often, rural economic development focuses on one strategy tried and implemented successfully in another rural area. These efforts aim at attracting electronics plants, for example, yet fail to take into account the benefits to be derived from a truly mixed regional economic base. Several strategies are called for in enhancing the economic diversity of rural areas.

- Build on past strengths. Rural areas should examine ways to strengthen their existing industry, including agriculture. For example, in Vermont efforts to bring cheese processing into the state is effectively increasing employment and saving transportation charges for trucking milk to Massachusetts for processing. Furniture making, mobile home construction, and other related industries build on a lumber base. Service sector development builds on a government and trade strength.
- Look for complementary industries. A new industrial park, for example, may create the potential for trucking services, printing, and other related services.
- Emphasize industries with a diversity of markets and sources so that unexpected declines or gains from one industry are buffered in each community.
- Capitalize on and develop the human resources of the local area and continue improving worker skills so that the workforce is not locked into one employer or industry.
- Work on regionwide diversity, for one community cannot effectively do it alone.

The second component of improving the quality of rural work involves the identification of strategies to create career ladders. One of the sad truths we discovered is that virtually all rural economic development involves creating new jobs or expanding entry positions. Great opportunities exist, however, at the middle level. Too often these middle-level positions go to newcomers rather than to rural residents. Training programs often miss the skill needs of employed persons who might be promoted if adequate job ladders exist and training is available. The added benefit of such promotions are that a new entry-level position is opened. Thus we see the redesign and direction of CETA or its successor employment program to provide for a broader role and and to incorporate a larger portion of the employment strategy.

4. *Leverage Economic Development Programs for the Disadvantaged.* It has become obvious that many of the supposed benefits of most economic development projects in rural areas are not reaching the disadvantaged population they are designed to reach. In part this is because there is less "trickle-down effect" from many industrial expansions because of the increasingly national and regional character of industry. Also, the disadvantaged are missed because their needs are more complex than the programs designed to help them. Moreover, one of the major reasons that the programs are not reaching the disadvantaged is that economic development programs are too narrowly focused, as discussed in the preceding three points. If the broader economic development strategies outlined above were implemented, there would be significant benefit for the disadvantaged; additionally, there are a number of things that regional economic development efforts must do to target their efforts specifically to minorities, women, and persons in persistent poverty.

The first principle of this type of economic development strategy is to create a package of economic development projects so that all groups benefit simultaneously. Most programs for disadvantaged persons simply aim at the bottom and create entry-level positions. While these positions are important, they need to lead somewhere, so that they will be open again for another disadvantaged person to fill.

The second effort is to combine programs targeted for the disadvantaged with efforts to do all three aspects of an effective economic development program -- business attraction, business development, and business expansion. To the extent that this is undertaken, there will be a diversity of entry points for disadvantaged workers, and there will be more opportunity for work.

The third aspect of an effective program for the disadvantaged involves greater emphasis on enterprise development and the accumulation of equity by organizations representing the interests of disadvantaged persons. For example, many communities miss the opportunity to develop an equity position when they assist in a plant location or industrial park. This could be used by minority organizations to provide leverage for additional projects. Moreover, many communities are in the position of making decisions about suppliers of certain services such as waste disposal and cable television; they could award contracts for any number of new services to organizations with a strong commitment to the disadvantaged. Finally, in rapidly growing communities there is always a range of services that are not available and must be purchased elsewhere. A better understanding of this factor is provided by assessments of business opportunities, which provide economic developers with an excellent vehicle for attracting firms or developing local firms to supply services. Disadvantaged persons have a particularly important stake in these efforts because many of them are services that may be learned rather readily.

This paper was prepared for presentation at the 5th Annual Conference on The Small City and Regional Development, sponsored by the University of Wisconin at Stevens Point, March 1982.

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